

Place and Resources Scrutiny Committee

17 October 2022

Housing Delivery against Targets

For Review and Consultation

Portfolio Holder: Cllr D Walsh, Planning

Local Councillor(s): All

Executive Director: J Sellgren, Executive Director of Place

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Report Status: Public

Brief Summary: Factual report comparing the rate of delivery of new homes against targets in adopted local plans.

Recommendation:

That members consider the report, note its relevance in future decisions about the local plan, and agree whether any further information or action is required at this stage.

Reason for Recommendation: Information requested by members of the Committee

1. Report

- 1.1 At the 8 March 2022 meeting of the Place and Resources Scrutiny Committee, information on the delivery of homes against targets was reviewed as part of the consideration of the Performance Dashboard. As part of this consideration, the Committee noted *“a performance indicator relating to ‘Overall – Number of homes built in Dorset Council area’ and noted that the overall delivery of homes across Dorset does not meet the adopted local plan targets.”*

- 1.2 Committee members wished to understand the reasons for these targets not being met and explore if there were actions that the Council could take to encourage more homes to be built. This report brings further information for consideration and highlights the actions that officers are taking to try to increase the rate of delivery of homes.

Adopted local plan housing targets

- 1.3 Local plans are used as the basis for making planning decisions across the Council area. They are adopted after an examination in public where the Planning Inspectorate consider whether the local plan can be found sound and therefore should be adopted.
- 1.4 Part of this examination includes detailed evaluation of the appropriate housing delivery target for the area. The examination will also consider whether the policies and allocations within the local plan will deliver sufficient homes to enable the target to be delivered.
- 1.5 The legacy Dorset local authorities, from before Dorset Council was formed, had adopted their local plans at different times, all with housing targets for their area. These targets are currently used for monitoring the relevant performance indicator.

East Dorset and Christchurch Joint Local Plan¹

- Adopted April 2014
- Housing Target: 566 dwellings per annum

North Dorset Local Plan

- Adopted January 2016
- Housing Target: 285 dwellings per annum

Purbeck Local Plan

- Adopted November 2012
- Housing Target: 120 dwellings per annum

West Dorset, Weymouth & Portland Joint Local Plan

- Adopted October 2015
- Housing Target: 775 dwellings per annum

- 1.6 Since the legacy authority local plans were adopted, National Policy has introduced a revised standard approach for establishing the housing target

¹ The joint East Dorset and Christchurch Local Plan covered the legacy authority areas of East Dorset District Council and Christchurch Borough Council. The East Dorset District area now forms part of Dorset Council whilst the Christchurch Borough area forms part of the Bournemouth, Christchurch and Poole Council area. The housing target was a joint target covering both of these areas.

for local plans. This Standard Methodology uses household projections and affordability ratios to calculate the housing target for an area. All of the legacy local plans were in the process of being reviewed at the point that Dorset Council was formed. These reviews were aiming to reflect the Standard Methodology target.

East Dorset area

- Standard Methodology Target (2022): 458 dwellings per annum

North Dorset area

- Standard Methodology Target (2022): 377 dwellings per annum

Purbeck area

- Standard Methodology Target (2022): 186 dwellings per annum

West Dorset, Weymouth & Portland area

- Standard Methodology Target (2022): 811 dwellings per annum

Dorset Council area

- TOTAL Standard Methodology Target (2022): 1,831 dwellings per annum

Delivery of homes

- 1.7 Monitoring of delivery of new homes against these targets is undertaken on an annual basis through site surveys. These surveys are undertaken with a base date of April each year and cover all sites that create residential units, including those specific sites allocated through local plans.
- 1.8 Delivery across Dorset has been varied over recent years and is dependent upon a range of factors.

East Dorset area new homes delivered

- 2016/17124
- 2017/18312
- 2018/19289
- 2019/20499
- 2020/21376

North Dorset area new homes delivered

- 2016/17142
- 2017/18159
- 2018/19223
- 2019/2096
- 2020/21201

Purbeck area new homes delivered

- 2016/1789
- 2017/18124
- 2018/1973
- 2019/20148
- 2020/21131

West Dorset, Weymouth & Portland area new homes delivered

- 2016/17772
- 2017/18633
- 2018/19925
- 2019/20697
- 2020/21671

Dorset Council area new homes delivered TOTAL

- 2016/17 1,127
- 2017/18 1,228
- 2018/19 1,510
- 2019/20 1,440
- 2020/21 1,379

Development sites in the pipeline

- 1.9 As part of the annual monitoring of housing sites, the number of homes with planning consent or allocated in a local plan, which are not yet complete is recorded. Across Dorset, there are currently 13,007 homes on sites that have either been allocated in local plans or have planning permission, with 2,130 of these being under construction as at April 2021.
- 1.10 Delivery of housing on these sites is often difficult to predict. However, each year a five-year housing land supply report is published for each of the adopted local plan areas which seeks to predict delivery of new homes over the next five year period. These reports can be viewed on the relevant page of the council's website:

<https://www.dorsetcouncil.gov.uk/-/a-quick-guide-to-local-plans-in-dorset>

Reasons for delivery not keeping pace with targets

- 1.11 The housing market is complex, and the delivery of homes is dependent upon a range of factors. The housing market in different parts of Dorset have very different characteristics and different factors come in to play to

differing extents in each area. Factors that influence the delivery of homes include:

- The quantum of land available for the delivery of new homes. Making more land available for development will increase the supply of homes as more sites will be being developed at any one time.
- The characteristics of the supply of sites available for the delivery of new homes. Large development sites can take a significant time to reach the stage where homes are delivered due to site-based complexities. A mix of sites – small, medium and large helps to alleviate this issue with smaller sites often being delivered more quickly.
- The viability of development. If the costs associated with the development of a site are too great, the development won't be delivered as the return for the developer is squeezed. Higher costs can be associated with site characteristics (such as brownfield/contaminated land or the need for additional infrastructure) or associated with policy requirements (such as affordable housing requirements).
- The characteristics of the local housing market. Some parts of Dorset have a very high demand for housing with attractive rural villages and popular coastal areas often in high demand. This demand creates areas where developers are keen to develop however these are not necessarily the most suitable areas for development.

The housing market in some areas also has a limited capacity to absorb new homes without having a significant impact on sales value which would then negatively impact on development viability.

- The ownership of developable sites. Planning consent is secured on a site for different purposes. Individuals sometimes secure consent as an investment, land promoters invest in sites in order to sell to a developer, developers hold a supply of sites as part of their business planning (maintaining a supply of sites to deliver over a 5 or 10 year business plan period).
- The capacity of active developers. The size of developers is a limiting factor in rates of delivery. A range of developers, both small scale and larger national house builders would enable delivery at different rates.

- The characteristics of developers who are active in an area.
Developers can be reluctant to take on sites in part of Dorset as the logistics of setting up and managing a site away from their normal area of operation can result in increased costs.
 - Other external factors: Over the past two years, the delivery of homes was impacted by the Covid-19 pandemic with many building sites being mothballed for a period of time. Also changes in national policy or evidence can raise issues that can impact the development of sites – a recent example being advice from Natural England on Nutrient Neutrality.
- 1.12 Some of these factors are outside of the control of Dorset Council whereas others can be influenced by the Council.

Actions that Dorset Council could consider

- 1.13 Although Dorset Council does not directly deliver homes, its actions can impact on their delivery. There are direct actions as well as indirect actions where the council can influence the delivery of homes. Some of these actions can help to ensure the rate of deliver keeps pace with targets.
- 1.14 Direct actions include:
- Granting planning consents to enable homes to be delivered – new homes cannot be delivered unless they have received planning consent.
 - Ensuring that planning processes and consultations are efficient – significant work has been undertaken to streamline the application process with a new planning database installed.
 - Ensuring that adequate pre-application engagement takes place – Dorset Council already offers a paid for pre-application process to enable early engagement on a development proposal to be given to prospective site developers. This enables any issues on a site to be considered at an early stage thereby reducing the time it takes from submission of a planning application to decision being issued.
 - Getting a local plan in place – ensuring an adequate quantum of developable housing land is available and that this supply is developable

- Building in a contingency into local plan housing provision – making an allowance for more housing than the minimum needed to meet the target increases the chances of the delivery of new housing keeping pace with the target.
- Ensuring that policy requirements are not making development unviable – range of policies which can dissuade developers from developing
- Work proactively to overcome barriers to delivery – A number of issues can hinder the development of sites and it is important to work towards the delivery of key sites to help unlock their potential – actions can include relaxing of affordable housing requirements or loan funding to support delivery.
- Working to address strategic issues – development in some parts of Dorset is restricted by environmental issues. To address these, a strategic approach to mitigation is often required. Examples of this include flood risk in Weymouth town centre, heathland mitigation, and nutrient neutrality.
- Ensuring a good mix of sites are available – Relying on a small number of large development sites is unlikely to enable the housing targets to be met. A range of site sizes and characteristics (small, medium and large, green field and brownfield) will give the best opportunities for meeting housing targets.
- Consider diversification of the development sector when releasing Council owned sites – there will be opportunities through the release of council owned development sites to encourage new entrants into the development sector. An example of this would be consideration of the self and custom build sector and specifically targeting small & medium sized builders.
- Secure planning consent on Council owned sites – securing planning consent on Council owned sites would give greater certainty as to what would be delivered on a site, speed up the development process and would deliver higher land value when sold.
- Continue to work with Community Land Trusts – working proactively with local communities to deliver housing in their area is a positive way of delivering small numbers of new homes to meet local aspirations.

1.15 Indirect actions include

- Engaging with the development industry to encourage developers to operate in Dorset – having a larger number of developers working in Dorset will increase the overall supply of homes by diversifying the local market
- Work closely with Registered Providers to deliver housing sites in their control – using funds from Homes England and secured through off-site contributions to support Registered Providers in delivering affordable homes.
- Promoting new methods of home construction – off-site construction of homes and other alternative types of construction can be faster to deliver than conventionally built homes.
- Continue to work closely with Homes England – working with Homes England will enable their expertise and advice to be brought to Dorset to help deliver homes, not only on problematic sites but also potentially on large sites/new settlements.
- Communication – communicating widely with the public, agents and developers about the benefits of new homes will help with raising Dorset's profile as a place open to development.

Implications

- 1.16 Members of the committee have valid reasons to be concerned that the delivery of homes is not meeting the target. Despite the fact that a shortfall in the delivery of homes means that homes are not being provided for those in need in Dorset, there are implications for how planning decisions are made.
- 1.17 When housing delivery falls to 75% below targets, the presumption in favour of sustainable development in national policy applies². The presumption also applies when the supply of deliverable housing land is less than the equivalent of five-years of the target.
- 1.18 The presumption means that the weight that can be given to the policies in adopted local plans is reduced when making planning decisions. This means that development may take place in locations where, if the supply

² National Planning Policy Framework, 2021 – Paragraph 11.

and delivery of homes had kept place with the targets, it would normally have been refused.

2. **Financial Implications**

There are no financial implications arising from this report.

3. **Climate Implications**

There are no climate implications arising from this report

4. **Well-being and Health Implications**

There are no well-being and health implications arising from this report

5. **Other Implications**

There are no other implications arising from this report

6. **Risk Assessment**

- 6.1 There are no decisions to be made as a result of this report and therefore no risk implications.

Current Risk:

Residual Risk:

7. **Equalities Impact Assessment**

This report is for information only and therefore an equalities impact assessment has not been undertaken. There are not considered to be any equalities implications from this report.

8. **Appendices**

None

9. **Background Papers**

None